

1 would suggest that you call them and try to find out what
2 they are doing because they are still here. They are still
3 here, and it's just something else. Once again, that's fine
4 if that's what you need to do, but I hope you understand, we
5 tried to do everything that we could on this end to pretty
6 much help you, and all of these 800 numbers ^{↑ EVERYTHING} (inaudible)
7 associated with all of the accounts are still here. The
8 last call dates were just yesterday and today. The 800
9 numbers have not even been requested by this company as of
10 today. As of this moment, everything is actively going, so
11 it's going to cause a disruption to everything that you have
12 with this take-down.

13 JANICE: As soon as I can get up with him.

14 MARSHA: Okay. And if it happens before then --
15 do you understand what I'm saying? That's why I'm asking
16 you, if you can get a message to him and possibly maybe hold
17 free a little bit until he gets you.

18 JANICE: What is the problem with your just
19 continuing to serve us until --

20 MARSHA: I've explained that, I think, very
21 thoroughly, like, three times here. We cannot carry the
22 traffic. It's just like somebody walking out of the store
23 with something, you know, and then asking the store owner,
24 ask them to wait to pay for it. Well, if that --

25 JANICE: (Inaudible) haven't received notice yet

1 on --

2 MARSHA: Yes. We have got a disconnect from the
3 local that could disconnect the services. Our company is a
4 noncontractual company, Janice. We can't carry the traffic
5 unauthorized. It's no shade of gray. It's either we have
6 permission, or we don't. When you signed that letter, or
7 when they sent over this disconnect, it voided out any
8 authority that we had to carry the traffic. I can't tell
9 you what you do over there.

10 I've been with this company now for six years, in
11 this business for 10, and the thing of it is, is that I'm
12 trying to understand from you what your apprehension is, and
13 I'm trying to help you keep the lines up. And I wish I
14 could, you know, basically, but on a professional
15 standpoint, within our company right now, and I'm sure you
16 can understand that, if it's for 20 minutes, if it's for an
17 hour, if it's for end of business day today, we have to get
18 something from you on file that we have permission to carry
19 it temporarily in the interim period.

20 And this, logically, I think -- you know, if I'm
21 missing something, as a logical explanation, I would think,
22 you know, for you to understand, is we cannot do it. If
23 it's going to cause ^{us} ^A (inaudible) problem, and you have to
24 understand something. You're a customer that's leaving our
25 company.

1 JANICE: But you were serving us yesterday. Why
2 can't you continue to serve us?

3 MARSHA: Because I can't. That's the reason I
4 called you today.

5 JANICE: But, I mean, why? That's what I don't
6 understand.

7 MARSHA: Because you signed that letter of agency
8 with that other company. We're carrying the traffic, even
9 though they haven't -- we know you're going to Sprint, but
10 they haven't completed it yet, Janice. They haven't even
11 requested any of the 800 numbers yet. So we know that
12 you're leaving. We're just waiting for them to come in and
13 take it from us. They haven't done that. And then they
14 notified the local. The local sent us a disconnect on this
15 end.

16 So we've been sitting here. We're carrying the
17 traffic without authorization. You cannot do that, and
18 that's the reason why I wanted a take-down (inaudible) and
19 call you myself and explain to you in detail what it is and
20 the detriment that you were going to end up with so that I
21 could get this form from you so that we could carry it
22 temporarily until they can pick you up.

23 JANICE: Okay. Now, you tell me -- you're Marsha.
24 Right?

25 MARSHA: Yes.

1 JANICE: You tell me I can get you on (702) 949-
2 4019 --

3 MARSHA: Yes.

4 JANICE: -- (inaudible) (800) 636-6670.

5 MARSHA: And you need to call back as soon as
6 possible. That's why I (inaudible) with you. I would hold
7 for you for a little bit.

8 JANICE: Well, that wouldn't do any good. I would
9 have to get a message to him.

10 MARSHA: Janice, is there anybody else that you
11 can contact to give you permission to do this if you let
12 them know that the company is going to be at a standstill?
13 I'm sure, as the owner and (inaudible) or your attorney or
14 somebody, because you're going to end up losing service, and
15 then he is going to come in, the owner of the company, and
16 everything is going to be down, and if it was just a matter
17 of signing --

18 (End of Conversation No. 1.)

1 Conversation No. 2

2 (PHONE RINGS.)

3 RECEPTIONIST: Tideland Electric. Laura.

4 MARSHA: Yes. Hello. Can I speak with Janice,
5 please?

6 RECEPTIONIST: Sure. One moment.

7 MARSHA: Thank you.

8 (PAUSE.)

9 JANICE: Janice Brayner.

10 MARSHA: Hi, Janice. This is Marsha calling back.
11 Were you able to get him?

12 JANICE: I have not called him. I expect him to
13 come in here by five or five-thirty.

14 MARSHA: Okay.

15 JANICE: But we haven't been able to get him.

16 MARSHA: Okay.

17 JANICE: The golf course is about 30 miles away,
18 so I don't know. I tried the house, but I don't get anybody
19 there.

20 MARSHA: You haven't gotten anybody?

21 JANICE: Uh-uh. His wife teaches at a community
22 college.

23 MARSHA: Wow. I know he's going to be upset
24 because, you know, I even checked the traffic within the
25 last hour, and -- when was this company supposed to take you

1 over? Do you know?

2 JANICE: I thought it was today, but I didn't know
3 for sure. I hadn't gotten involved in it until --

4 MARSHA: I have not even requested one number. We
5 have so many numbers that are still billing here, so many.

6 JANICE: But, you know, that's good for you if
7 they are still billing --

8 MARSHA: But you know what? (Inaudible) at our
9 company's standpoint because they are calling you from our
10 operations counsel's department. That's not even an issue.
11 The issue here is, yeah, if we can continue to bill you,
12 yeah, that would be a benefit for our company, but can you
13 imagine having our company being in that serious of a
14 liability because we're carrying the traffic unauthorized?
15 So, you know, that's worse. You're carrying traffic, you
16 know, without consent.

17 JANICE: But we authorized you to do -- when you
18 were billing yesterday with us under the same --

19 MARSHA: Yeah, but since then we received that
20 they are disconnecting the system.

21 JANICE: But you just told me you hadn't heard
22 from them.

23 MARSHA: No. We received in the system from the
24 local that you were switching vendors. We know that you're
25 going with Sprint. Sprint has not physically picked up the

1 lines yet, but your intent is to switch with them. The
2 whole issue is the fact that until they requested for us to
3 disconnect it --

4 JANICE: Then we're (inaudible) in the same
5 agreement that we were (inaudible).

6 MARSHA: We're not. We're not.

7 JANICE: Why?

8 MARSHA: Because we got that disconnect from the
9 local in our system that you're switching vendors.

10 JANICE: (Inaudible) the local (inaudible).

11 MARSHA: (Inaudible) Sprint. That automatically -
12 -

13 JANICE: You said you hadn't heard from Sprint.

14 MARSHA: No. Okay. Janice, the reason you were
15 called in the first place by Delphine is because there was
16 an alert in our system that you were switching vendors.
17 Okay? We know that you're going to Sprint -- okay? --
18 because through the conversations and because of the alert
19 in the system, you're going to Sprint, but we're looking at
20 the traffic, and Sprint has not picked up the lines, so we
21 have a disconnect --

22 JANICE: Well, hold on. We're under the same
23 arrangement with you right now (inaudible) --

24 MARSHA: But you're not. Right, because we didn't
25 know it.

1 JANICE: But the fact that they notified you is
2 what I don't understand because they haven't actually
3 switched anything, so if they notified you, what does that
4 do to you? Tell me that. I don't understand that.

5 MARSHA: What that does to us is that totally
6 omitted any authority that we had to carry any of this
7 traffic because they sent that alert in through the system,
8 and they weren't ready to pick it up yet.

9 JANICE: But what does it do as far as you billing
10 us?

11 MARSHA: We could be at a serious liability
12 because right now we are billing you without authorization.
13 See, what happened was is they put that alert in too early
14 before they could get it switched.

15 JANICE: But you've got the same authorization you
16 had a week ago.

17 MARSHA: But it was voided. We didn't know that
18 you were switching a week ago. We didn't get (inaudible)
19 route in the system until Delphine called you.

20 JANICE: But we didn't void it, so how can it get
21 voided? We didn't void our --

22 MARSHA: Well, hold on. Janice, when you signed
23 the letter of authorization with Sprint, it voided out any
24 authorization we had to carry the traffic.

25 JANICE: But they haven't done it yet, so until

1 they do it, you're still authorized by us (inaudible).

2 MARSHA: But we don't have proper authorization
3 (inaudible) because --

4 JANICE: (Inaudible.)

5 MARSHA: You're cutting me off before I can even
6 answer you. I'm the director. I run this department. I've
7 been doing this with this company for six years.

8 JANICE: Well, I've been doing this for 23
9 (inaudible).

10 MARSHA: Right. I can't tell you what your
11 policies are and your procedures are within that business.
12 I wouldn't even attempt to try to do it because if you told
13 me that this was what you needed to have, you know, and
14 that's how your system is set up, and that's how, you know,
15 the FCC guidelines are, I would have to honor that because
16 that's your company, and those are your policies and
17 procedures. With our company, they shouldn't have sent us -
18 - it's like they are sending us (inaudible) to disconnect,
19 but they are just letting the lines sit here.

20 JANICE: What did they sent a disconnect for?

21 MARSHA: For us to disconnect the long distance
22 from our company.

23 JANICE: From which line?

24 MARSHA: All of your lines. All of your
25 (inaudible) Tideland. We knew you were switching vendors

1 when we called you because of the alert that was in the
2 system.

3 JANICE: I understand that you wouldn't have
4 called if you didn't know that.

5 MARSHA: Right.

6 JANICE: I understand all of that, but I just
7 don't understand what the problem with your continuing to
8 carry it until the switch gets made.

9 MARSHA: Because we can't now because they have
10 alerted us since then that we should disconnect, and they
11 don't have them picked up yet.

12 JANICE: (Inaudible) that we should disconnect?

13 MARSHA: We got a disconnect in our system from
14 the local, from your local company, that you were switching
15 vendors. It's the same person, a fact. So (inaudible).
16 Okay. Then they send it in to us, but they haven't taken
17 anything from us yet. They haven't even moved the request
18 so the 800 numbers could be switched. They technically --

19 JANICE: (Inaudible) our long distance business
20 until they switch.

21 MARSHA: It doesn't matter because you know what?
22 The consequences that you would have in carrying the
23 traffic at a liability and billing you for a couple of days
24 is not worth the liability that it would cost our company.

25 JANICE: (Inaudible) cost and liability would you

1 have, Marsha?

2 MARSHA: Because we're carrying it unauthorized,
3 our company could be fined.

4 JANICE: By whom?

5 MARSHA: By the FCC.

6 JANICE: That you're carrying it unauthorized?

7 MARSHA: Yeah. That's the reason. And the thing
8 of it is, is they shouldn't have never even alerted us if
9 they weren't prepared to switch it.

10 JANICE: Well, that's true. They shouldn't have.

11 MARSHA: You know what I mean? Because
12 (inaudible) for causing you to do this in the first place.
13 I will, but the thing of it is is that this is not our
14 fault. We're trying to help a customer that's leaving us,
15 you know. If you're stating on an addendum that it's only
16 until the company can come in and pick you up, --

17 JANICE: Yeah.

18 MARSHA: -- you're stating that clearly on the
19 addendum, you're writing, "see attached addendum," this call
20 is monitored --

21 JANICE: The addendum; I told you, you know, I
22 don't mind doing something on the letterhead saying, please
23 carry us until --

24 MARSHA: But we have to have the letter of
25 authorization to go with that because that's giving us the

1 authorization to carry it in the interim period. We can't
2 just take that.

3 JANICE: Marsha, may I say something? Will you
4 not interrupt me if I try to say something?

5 MARSHA: Yeah. That's because you interrupt me
6 when I'm trying to explain something to you, and I'm just
7 trying to let you know because you're trying to come back at
8 the point, you know, why can't you do this, and I'm trying
9 to tell you why. It's frustrating because I'm trying to
10 tell you why we can't, and I don't want your sentence to get
11 cut off.

12 JANICE: Okay.

13 MARSHA: I don't want that for your company. I
14 don't want that for you because then you're going to have to
15 answer to them, you know. We would want that you have a
16 smooth transition.

17 JANICE: It may be as late as Monday. What would
18 that do?

19 MARSHA: We'll keep it open (inaudible) having
20 them pick it up. And just to let you know how simple it is,
21 as soon as they come in --

22 JANICE: What if we don't sign anything, and they
23 don't get it switched until Monday?

24 MARSHA: If you don't sign anything, and they
25 don't get it switched until Monday, it will cause the

1 disruption of everything that you have. And I've been
2 waiting to call you back, you know, before we did anything
3 on this end, hoping that everything would be all right, and,
4 you know, we can go ahead and get what we needed from you in
5 order to get this done, and I can't get it from you.

6 JANICE: Well, I can't do it without the CEO
7 because he gave me a direct order not to, and I can't. I
8 would get fired if I do.

9 MARSHA: Yeah, I know. I know that, and that's
10 fine. I'm going to respect that, but the thing of it is, is
11 that I hope that he calls soon because as to the point you
12 just said, you know, you've been doing -- you've been with
13 that company for a long time. You probably have a high
14 stature in that company. If you don't follow all his
15 procedures he set up for you, you could lose your job.

16 I'm not going to go as far as to say that I could
17 lose my job because that's not the detriment for me at this
18 point. My standpoint is more of a company standpoint
19 because you are leaving, and we got the request. They
20 shouldn't have sent it in to us before they were ready to do
21 this because then we wouldn't be having this conversation
22 right now.

23 JANICE: And what would you be doing? You'd be
24 continuing to bill us, and they would be in the process of
25 making the switch.

1 MARSHA: If they hadn't alerted us.

2 JANICE: (Inaudible) that we are right now.

3 MARSHA: If they hadn't alerted us.

4 JANICE: Yeah. That's what I mean. So they would

5 be in the process of switching. You wouldn't know the

6 difference. So you're saying --

7 MARSHA: Yeah. (Inaudible.)

8 JANICE: -- you're operating without authorization

9 from us (inaudible).

10 MARSHA: No. Usually when we get these systems,

11 and usually when the vendor sends it in to us, the account

12 is already canceled. Do you see what I'm saying? It's a

13 matter of canceling it out on the system. The only reason

14 you were called (inaudible) was because you still had

15 traffic with us.

16 JANICE: But if you hadn't got that disconnect

17 order, then you would still be billing us, and they would be

18 in the process of switching, and you would have never known

19 it.

20 MARSHA: Right.

21 JANICE: So then you would be --

22 MARSHA: Right, because normally --

23 JANICE: -- providing service with no

24 authorization?

25 MARSHA: No. That's not what it would have been

1 because they wouldn't have sent it in yet. They wouldn't
2 even have sent it. They wouldn't have sent it until they
3 were ready to send it.

4 JANICE: That's not making any sense.

5 MARSHA: Normally, that company shouldn't have
6 sent us in the cancel until after they were ready to pull
7 all the lines. Normally, --

8 JANICE: Well, what difference does it make if
9 they send in the cancel or not?

10 MARSHA: I'm sorry?

11 JANICE: What difference does it make if they send
12 in the cancel? If they hadn't sent in the cancel, and they
13 were in the process of switching it, then everything would
14 be fine and (inaudible).

15 MARSHA: Well, we wouldn't have known that they
16 were even switching it, but usually it would have been --
17 like this morning, if they told you, "Okay. We're going to
18 get all of the lines pulled over today," okay, and they were
19 ready to pick that up, and we had a request in the system
20 that this company was going to pick you up, because it would
21 show us in the system that they were all on D status, which
22 is disconnect status, and that there is a company in here
23 for the 800 numbers, and we would have shown that they were
24 actually requesting it. Then you would have been fine
25 because if we would have taken it down, then they were ready

1 to pick it up. In this case, they sent it over here to us,
2 and they haven't even requested any of the 800 numbers, and
3 most of the locations, all of them still have active calls,
4 the last calls they introduced yesterday and today.

5 JANICE: Well, Sprint tells me that they didn't
6 send over an order.

7 MARSHA: They did. How else would we know?
8 Logically, Janice, if you think about it, how else would we
9 know?

10 JANICE: Because one of the lines has been
11 switched, and the rest of them haven't. Who signed the
12 disconnect order because they tell me at Sprint they didn't
13 send one?

14 MARSHA: I don't know how they do it. I don't
15 know what their policy is, but our company was alerted that
16 you were switching because if we wouldn't have been, we
17 wouldn't have called you and told you. If you think about
18 it logically, they call you and tell you.

19 JANICE: For the time being, would you like me to
20 ask him to call you at those numbers you gave me? Is that
21 the easiest thing to do?

22 MARSHA: Yeah. You can ask him to call me.
23 Hopefully, he gets to me beforehand.

24 JANICE: All right. As soon as I can get a hold
25 of him, I will. Okay?

1 MARSHA: Okay. Thank you.

2 JANICE: Thanks.

3 (End of Conversation No. 2.)

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TRANSCRIPT OF PROCEEDINGS

32

Date: May 2, 2003

HERITAGE REPORTING CORPORATION

Official Reporters
1220 L Street, NW, Suite 600
Washington, D.C.
(202) 628-4888

IN RE THE MATTER OF:

CONNELLY BILLIARDS
PHONE CONVERSATION

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33

Friday,
May 2, 2003

Live Tape

(The following transcript was transcribed from an audio cassette tape provided by the Federal Communications Commission to Heritage Reporting Corporation on May 2, 2003.)

Heritage Reporting Corporation
(202) 628-4888

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RECORDING: Thank you for calling Connelly

Billiards, home of the ultimate billiard table. To reach an operator at any time, press zero. If you would like to send a fax, dial 520 -- please hold.

RECEPTIONIST: (Inaudible) from Connelly

Billiards. How can I help you?

MARSHA: Yes. Can I speak to Rhonda?

RECEPTIONIST: May I ask who's calling?

MARSHA: This is Marsha.

RECEPTIONIST: Marsha? Okay. Hold on one second.

(Pause.)

RECORDING: Hi. This is Rhonda. I'm either on the phone or away from my desk. Please hold.

(Pause.)

RECEPTIONIST: Connelly Billiards. Can I help
you?

MARSHA: Yes. Hello. I was asking to page for Rhonda because I have a disconnect status on the phone lines, and I need to talk to her as soon as possible.

RECEPTIONIST: Okay. What company are you with?

MARSHA: I'm calling from A&I Communications. We were her previous long distance carrier, except we're still carrying the shop actually, so I need to speak to her about this as soon as possible.

35

1 RECEPTIONIST: Okay. Can you hold on?

2 MARSHA: Uh-huh.

3 (Pause.)

4 RHONDA: This is Rhonda. Can I help you?

5 MARSHA: Hi, Rhonda. This is Marsha Gibbs. I'm

6 calling from A&I Communications in the corporate office. I

7 want to let you know calls are monitored and recorded for

8 quality-assurance purposes.

9 I called to apologize, actually. I see here where

10 you're leaving our service, and we want to thank you for the

11 business you did give us, and if things don't work out with

12 your new carrier, we would like an opportunity to maybe work

13 with you again in the future. The lines are still going

14 here with us.

15 RHONDA: Uh-huh.

16 MARSHA: I wanted to know if you want us to leave

17 those lines up and running for right now, or do you want us

18 to just go ahead and take the service down?

19 RHONDA: Okay. Have you received a disconnect?

20 MARSHA: We received an alert in our system from

21 the local, but your long distance company has not moved the

22 traffic from us yet. So it could cause a disruption to

23 everything. By the lines still being picked here, too,

24 Rhonda, what will happen is anybody that calls into your

25 office are going to have that you're temporarily

1 disconnected. If you try to dial out, you wouldn't be able ⁵⁻⁹⁶
2 to.
3 RHONDA: You guys shouldn't even know about the
4 disconnect, about us changing.
5 MARSHA: Well --
6 RHONDA: I don't know why you keep calling me
7 about this or how you keep --
8 MARSHA: Who keeps calling you? This is my first
9 time calling you.
10 RHONDA: This is the second call. The first time,
11 I was on the phone for three hours with the guy while he
12 argued with me.
13 MARSHA: Who argued with you?
14 RHONDA: I don't remember his name.
15 MARSHA: How long ago was this?
16 RHONDA: Two weeks. Why are you calling me, even?
17 MARSHA: Well, the reason that we're calling you
18 is out of courtesy. Your lines are still going here with
19 us.
20 RHONDA: (Inaudible.)
21 MARSHA: Hold on. You're leaving to go to another
22 carrier.
23 RHONDA: So?
24 MARSHA: Right now, we don't have proper
25 authorization to carry this traffic.

1 RHONDA: Yes, I do, because the last time the guy ³⁷
2 called, I signed the authorization and faxed it to him, so
3 that's not true.

4 MARSHA: When did you sign it and send it to him?

5 RHONDA: Like two weeks ago, three weeks ago. I
6 could probably pull it out because, you know, this is --

7 MARSHA: Can you send me what you faxed over to
8 him?

9 RHONDA: You know what? I cannot wait until we
10 leave you guys. This is ri-goddamn-diculous that I have to
11 spend time every --

12 MARSHA: You know what? You know what? Rhonda,
13 I've treated you with the utmost respect, and I expect the
14 same in return. I have not raised my voice. I have not
15 said anything to you out of the way --

16 RHONDA: (Inaudible) spent three hours on the
17 phone two weeks ago and now --

18 MARSHA: I understand that, but you need to stop
19 yelling at me. You really need to because your lines are
20 still billing here with us. I'm calling you out of courtesy
21 because we can't carry it without proper authorization on
22 file.

23 RHONDA: You have the proper authorization
24 (inaudible).

25 MARSHA: And I'm not going to go back and forth

1 with you in an arguing match. I am the directing manager
2 here. I'm letting you know as a courtesy. It's probably
3 one of your other locations because you have so many that
4 are billing here with us.

5 RHONDA: They all should be billing with you.

6 MARSHA: Well, the thing of it is, is we can't
7 help it that your company -- wait -- hold on just a second.
8 How else would we know? We got an alert in our system that
9 you're switching vendors. Apparently, --

10 RHONDA: (Inaudible.)

11 MARSHA: Because they are notifying the
12 (inaudible).

13 RHONDA: No, they are not. They have not sent you
14 anything. I have not sent you anything.

15 MARSHA: Well, they called and maybe contacted
16 your local company. How else would we know, Rhonda?

17 RHONDA: Exactly. I would really like to know how
18 you would know that because I (inaudible) --

19 MARSHA: That's what you need to address with them
20 because that's not our fault. I'll wear the black eye
21 obviously for what caused you to fletch, but in this
22 particular case, this is not our fault.

23 RHONDA: Well, okay.

24 MARSHA: So can you pull that and send it over to
25 me? I need to stay on hold with you. It will take two

1 minutes. I'm going to confirm with you I have it, and
2 that's it.

3 RHONDA: I need to know who is sending you
4 these --

5 MARSHA: We have an alert in our system that comes
6 up within our company, --

7 RHONDA: Uh-huh.

8 MARSHA: -- internally within our company, and
9 every company out there has that that's conducting long
10 distance. It's an alert in the system where you're
11 switching vendors. The reason -- hold on. Let me answer
12 your question, Rhonda. The reason why it comes up like that
13 is because there is a strong possibility that you could have
14 been slammed. That's the whole purpose for that system.
15 And so in your case -- I haven't talked to you yet, and so
16 I'm basically taking the bad end for everybody here.

17 RHONDA: Can I ask you one question?

18 MARSHA: Well, let me finish the first one. Let
19 me answer the first question you asked me. That's the
20 reason why, you know, that alert came up. The lines were
21 still going here. I checked the service, and so I wanted to
22 call you to let you know what was going on. Now, I look
23 through all of your locations, because there are so many of
24 them, I see here where you talked to this other person.
25 That would have been on the third that you actually spoke to

40

1 somebody else in reference to this.

2 RHONDA: Uh-huh.

3 MARSHA: Now, this is the thing. Since then, they
4 have given us alerts in the system for other locations
5 because I'll tell you which one I'm calling about, and maybe
6 this will make sense to you, in Scottsdale, Arizona. Okay?
7 And so the last person to talk to you, it was one of your
8 other locations that were coming up. So this is what we're
9 going to do so we don't go through this again.

10 (End of conversation.)

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Attachment

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LIONEL SAWYER & COLLINS

ATTORNEYS AT LAW

1100 BANK OF AMERICA PLAZA
50 WEST LIBERTY STREET

RENO, NEVADA 89501

(775) 788-8666

FAX (775) 788-8662

leo@lionsawyer.com

www.lionsawyer.com

April 5, 2002

SAMUEL S. LIONEL
GRANT SAWYER
2018-1998

JON R. COLLINS
1983-1987

RICHARD H. BRYAN
JEFFREY P. ZUCKER
PAUL R. MEJMANOWSKI
ROBERT D. FAISS
DAVID N. FREDERICK
DENNIS L. KENNEDY
RICHARD W. HORTON
DAN C. BOWEN
MARK A. SOLOMON
RODNEY M. JEAN
HARVEY WHITEMORE
TODD TOUTON
DAVID WHITEMORE
CAM FERENBACH
LYNDA S. MABRY

MARK H. GOLDSTEIN
ANTHONY M. CASOT
KIRBY J. SMITH

COLLEEN A. DOLAN
JENNIFER A. SMITH
GARY W. DUHON

LAUREL E. DAVIS

DAN R. REASER

CARL D. SAVELY

LAYNE J. BUTT

MARK LEMMONS

HOWARD E. COLE

PAUL E. LARSEN

CHRISTOPHER R. HOOPER

P. GREGORY GIORDANO

MARK A. MCINTIRE

STEPHEN R. HACKETT

ALLEN J. WILT

LYNN S. FULSTONE

RORY J. REID

DAN C. MCGUIRE

JEFFREY D. MENICUCCI
ETTA L. WALKER
LESLIE BRYAN HART

DAVID J. MERRILL

CRAIG E. ETEM

TODD E. KENNEDY

LAURA J. THALACKER

ASSIE G. FRIEDMAN

SHAWN M. ELICEGUI

KENNETH R. MYERS

HECTOR J. CARBAJAL II

EMILIA K. CARROLL

JANET SUE BESSEMER

G. LANCE COBURN

WILLIAM J. MCKEAN

SCOTT A. EATON

JOSHUA M. DICKEY

MATTHEW E. WATSON

JOHN M. NAYLOR

GREGORY R. GEMIGNANI

E. LEIF REID

DANA A. KLEISER
ELIZABETH R. BRENNAN
STEPHEN M. SANVILLE

MEDAN E. BARKER

ANDREW W. GILLILAND

DOREEN M. SPEARS

SEAN T. WATERS

MARIO P. LOVATO

NATHAN J. EDWARDS

ELICK C. HSU

STEVEN E. HOLLINGWORTH

LINDA M. BULLEN

PAUL D. POWELL

LAURA K. GRANIER

JOSH M. REID

DANIEL R. MCNUTT

KYLE D. STEPHENS

LOUIS V. CSOKA

ALAN D. FREER

MAXIMILIANO D. COUVILLER III

EVELYN R. CASTILLO

OF COUNSEL

ROBERT M. BUCKALEW
BRIAN MCKAY
ELLEN WHITEMORE
BRIAN HARRIS

*ADMITTED IN CALIFORNIA ONLY

WRITER'S DIRECT DIAL NUMBER:

(775) 788-8619

John R. McGlamery
Deputy Attorney General
Bureau of Consumer Protection
OFFICE OF ATTORNEY GENERAL
1000 East William Street, Suite 209
Carson City, Nevada 89701

HAND DELIVERED

Re: NOS COMMUNICATIONS, INC.

Dear John:

This letter responds to your correspondence dated March 11, 2002, and your correspondence dated March 28, 2002, which we received on April 1, 2002. Thank you for giving us this opportunity to provide additional information.

In the March 11 letter, you identified certain types of information your office requested of NOS Communications, Inc. and its affiliated companies ("NOS" or the "Company"). Specifically, you requested information and materials on the following seven enumerated subjects.

1. A list of the entities by which NOS or Affinity Networks conducts business, including the names of any subdivisions or company owned in whole or part by the Company which is a "provider" of "telecommunications service." See NEV. REV. STAT. § 598.9682 - .9684 (2001).

Response: Please see the accompanying Schedule A.

2. For each of the entities described in paragraph one, a general description of the billing methods (minutes v. call units) and a copy of the tariffs (if any) by which services are billed. If there are different tariffs for different states, a copy of each different state tariff.

LIONEL SAWYER & COLLINS

ATTORNEYS AT LAW

John R. McGlamery, Esq.

April 5, 2002

Page 2

Response: Please see the accompanying Schedule B. Please recognize that Schedule B contains commercially sensitive information and we ask that the BCP maintain the Schedule as such. As discussed in our letter to you dated March 29, 2002, your request for a copy of the Company's tariffs in each state where it does business is a very burdensome request. A response to this request will generate scores of documents requiring over ten bankers boxes for transport. Accordingly, we would like to ask that you reconsider this request.

3. For each of the entities described in paragraph one, a description of the types of services provided by each of the entities and the market focus of the customer base.

Response: Please see the accompanying Schedule B.

4. For each of the entities described in paragraph one, a statement as to whether that entity is continuing to solicit new customers, and if it is not soliciting new customers, the date on which solicitation ended.

Response: The following information is viewed as competitively sensitive: Generally, all older call unit plans (plans other than for CierraCom Systems) are sold to new customers only when they become aware of these plans through referrals from existing customers already on those plans or by review of website or tariff filings. At the present time, new sales through outbound contacts (initiated by the Company, not by the customer) predominantly involve CierraCom Systems plans only.

Recently available local service is provided to existing business customers on all plans through NOS Communications, under its CLEC certification, and to a lesser extent by Affinity Network Incorporated (ANI), which also has CLEC status in certain states. Where local service becomes available, it may be offered as a bundled option to new business customers or as an add-on for existing business customers.

International Plus and O11 Communications plans ("cents per minute" plans) are presently sold to residential customers. The previously planned sale of this segment of NOS Communications to Pacific Gateway Exchange was discontinued over a year ago. Service to existing International Plus and O11 Communications customers continued without interruption, since the sale was not completed.

5. For each of the entities described in paragraph one, a statement as to whether that entity is continuing to operate, and if not, the date on which operation ceased and a description as to the disposal of the customer base, if any.

LIONEL SAWYER & COLLINS

ATTORNEYS AT LAW

John R. McGlamery, Esq.

April 5, 2002

Page 3

Response: Please see the response to Item 4 set forth above.

6. For each of the entities described in paragraph one, a list of all pending actions or negotiations between any of the entities described herein and any Federal regulatory agency, any state attorney general's office, any state regulatory agency and any state public utilities commission related to the business practices of the Company, with a short description of the basis for the action or negotiations.

Response: Please see the accompanying Schedule C.

7. For each of the entities described in paragraph one, copies of all agreements, assurances of discontinuance, orders or judgments related to any enforcement action taken by a governmental body against the Company.

Response: Please see the accompanying Schedule D.

In your letter of March 11, 2002, you enclosed some point-of-sale materials used for CierraCom Systems. You asked that the Company explain the circumstances related to advertisements of "per minute" rates and certain call detail plans available to customers.

The Company has confirmed that the rate faxable attached to your letter showing a "cents per minute" rate is in the format used with current "cents per minute" plans. The prospective customer providing these materials to you, Corbett & Associates, was in fact offered a "cents per minute" plan, not a call unit plan. Unfortunately, it appears that this potential customer was misled by various competitors' web postings on call units and would not accept the Company's assurances that the offer was for a "cents per minute" plan, not a call unit plan.

"Cents per minute" plans, offered currently to higher volume customers, are charged and billed in the more traditional "cents per minute" form, without application of two invoice promotional limitations to the "cents per minute" rate and without application of non-usage call units after a promotional period. The rate faxable you provided is not to be used when selling a current "cents per call unit" plan nor would it have been used prior to July 2000 for the discontinued two-invoice promotional "cents per minute" plan.¹ As noted above, in this instance, it was correctly used with the offer of a "cents per minute" plan.

The additional materials you furnished in your March 11 letter, describing headquarters/branch billing and other invoice formats, relate to current business customer options for summary management data on invoices. This invoice summary data includes identification of calls of long duration, numbers most frequently called, calls summarized by branch office, etc. Additional fees are charged for selecting these enhanced management summaries and options based

¹ The promotional "cents per minute" plans discontinued in July 2000 used marketing materials with different disclosure language; this disclosure language identified the limitations of the promotional plan and the post-promotional application of non-usage charges.

LIONEL SAWYER & COLLINS

ATTORNEYS AT LAW

John R. McGlamery, Esq.

April 5, 2002

Page 4

on the enhanced functionality of such options. These options are not presently programmed to include call duration in both minutes and call units for call unit plans and the material you furnished does not show otherwise. As we shared earlier, to add a column for duration in minutes would involve significant programming set-up costs. It would also, on a recurring basis, effectively double the monthly printing costs, since current bills economize on space and fill both sides of the invoice page with very limited margins. We have offered to provide on the second page of the invoice, adjacent to existing call unit calculation disclosures, additional information that should satisfy your request.

Finally, we received on April 1, 2002, your correspondence forwarding the two additional complaints and will respond with specifics as quickly as our review of these accounts can be completed. However, as we indicated in our telephone call to you yesterday, we are unable to provide complete responses by your April 5 date. We will provide a response on these two items early next week.

Briefly, though, with regard to Aspen Education Group, a statement, such as reported by the customer, Mr. Dorenfeld, that the Company has a long-standing and significant agreement with WorldCom would be correct. The Company has been one of WorldCom's largest wholesale partners for nearly a decade and is authorized to make such statements by WorldCom. Prospective customers, particularly those interested in quality of service, are informed that CierraCom Systems utilizes the WorldCom network to carry their calls. However, the Company clearly marks its materials, including the letter of authorization (LOA), to prominently show that CierraCom Systems is the interexchange carrier that the customer is selecting. We believe that our further review will support correct disclosure to this customer.

With regard to Freedom Yachts, the attached materials, as acknowledged in the customer's complaint, are older materials from 1998, not materials furnished to the customer in the recent sale. Mr. Przbyla, in the Freedom Yachts' complaint, further confirms that the sales representative discussed (as he should have) the totality of the promotional plan, including the 4th invoice loyalty credits and other promotional items, during the rate discussions and that he (the customer) was made aware of the call unit rates during the discussion with the sales representative. Given the variety of details in this customer's complaint, however, we do need additional time to respond accurately and with specifics to all of the issues raised.

Whatever the particulars of these two complaints, we do not view the issues in these letters to be representative of the Company's current marketing practices, of its detailed disclosures to customers or of its extensive compliance program. Occasionally, given the thousands of contacts with potential customers each week, it is possible for misunderstandings and miscommunications to occur with individual customers. Two complaints within this large number of customer contacts would not be unusual in carrier operations, and as with all complaints, there are differing views of the representations made.

Even so, each complaint and the issues it raises are important to the Company. It is for this

LIONEL SAWYER & COLLINS

ATTORNEYS AT LAW

John R. McGlamery, Esq.

April 5, 2002

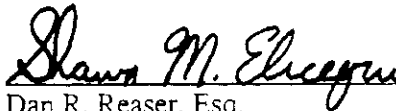
Page 5

reason that the Company in its proposal offers to monitor and evaluate customer complaints, with the assistance and cooperation of the BCP, on a continuing basis and to work with each customer that you bring to our attention to understand their individual issues and any other systemic issues that may be raised.

We believe the information and materials included with this letter are responsive to your requests of March 11, 2002, and consistent with our discussions on March 5, 2002. We encourage your office to continue its review of our specific proposal in the materials furnished on March 5, 2002, for a sales process that focuses on the concerns that you have identified.

As we previously stated, with your assistance, we will monitor and report to you on the program's effectiveness, including evaluation of *any* complaints that might be received by BCP during the program period regardless of the source. Based on the customer records you have shared with us and the Company's experience, we believe that the proposed program will provide a valuable opportunity to measure whether the current sales procedures used by NOS fully address the concerns you have communicated to the Company. Please advise if you have any questions or require additional information. We, in turn, will complete our response on the individual complaints as quickly as possible.

Sincerely,



Dan R. Reaser, Esq.

Shawn M. Elicegui, Esq.

Attachments

cc: Danny Adams, Esq., Kelley Drye & Warren LLP
Marlo Oliver, Esq., Kelley Drye & Warren. LLP

SCHEDULE A
LIST OF COMPANY AFFILIATE "PROVIDERS"

1. NOS COMMUNICATIONS, INC. (A Maryland Corporation, separately certified and, where tariffs apply, separately tariffed for, and providing intrastate, interstate and international exchange services and local service (local coverage is state specific))

D/B/A Entities/Plans:

International Plus
O11 Communications
INETBA (The Internet Business Association)
I-Vantage Network Solutions

2. AFFINITY NETWORK INCORPORATED (A California Corporation, separately certified and, where tariffs apply, separately tariffed for, and providing intrastate, interstate and international exchange services and local service (local coverage is state specific))

D/B/A Entities/Plans:

ANI (Registered Servicemark)
HorizonOne Communications
QuantumLink Communications

3. NOSVA LIMITED PARTNERSHIP (A Maryland Limited Partnership, separately certified and, where tariffs apply, separately tariffed for, and providing intrastate, interstate and international exchange services; customers may utilize NOS Communications for local service offerings)

D/B/A Entities/Plans:

CierraCom Systems

Confidential

SCHEDULE B
GENERAL CATEGORIES OF CURRENT AVAILABLE OFFERINGS

1. NOS COMMUNICATIONS, INC.

Company or D/B/A Entity

Services

NOS Communications, Inc.

Business/Cents per minute plans*
Business/Call unit plans**
Local service, calling cards, website
design and hosting

International Plus

Residential/cents per minute only

O11 Communications

Residential/cents per minute only

INETBA (The Internet Business Association)

Business/Cents per minute plans*
Business/Call unit plans**
Local service, calling cards, website
design and hosting

I-Vantage Network Solutions

Business/Cents per minute plans*
Business/Call unit plans**
Local service, calling cards, website
design and hosting

2. AFFINITY NETWORK INCORPORATED

Company or D/B/A Entity

Services

Affinity Network Incorporated or ANI***

Business/Cents per minute plans*
Business/Call unit plans**
Local service, calling cards, website
design and hosting

HorizonOne Communications

Business/Cents per minute plans*
Business/Call unit plans**
Local service, calling cards, website
design and hosting

QuantumLink Communications

Business/Cents per minute plans*
Business/Call unit plans**
Local service, calling cards, website
design and hosting

3. NOSVA LIMITED PARTNERSHIP

Company or D/B/A Entity

NOSVA

CierraCom Systems

Services

Business/Cents per minute plans*

Business/Call unit plans**

Local service, calling cards, website design and hosting

Business/Cents per minute plans*

Business/Call unit plans**

Local service, calling cards, website design and hosting

* Current cents per minute plans are plans that do not have non-usage call units added, even after a disclosed promotional period. Cents per minute sales materials will not reference "call units" in printed material disclosures.

** Call unit plans are plans that will have non-usage call units added. Sales materials quote rates in cents per call unit (cpcu) and printed material disclosures will reference use of call units and application of non-usage charges.

**** ANI is the registered service mark of Affinity Network Incorporated

Note: The above summarizes current plans and does not reflect the historical track or adjustments in particular service offerings, occurring over time due to marketplace factors. Such a historical summary would be difficult to generate at this later date.

SCHEDULE C
PENDING AGENCY ACTIONS OR NEGOTIATIONS

1. **Federal Communications Commission** (File No. EB-00-TC-005): On April 2, 2001, the Federal Communications Commission issued a Notice of Apparent Liability for Forfeiture. This notice proposed a \$500,000 forfeiture each for NOS Communications, Inc. and Affinity Network Incorporated and ordered the companies to either pay that amount or file a response why the proposed forfeiture should not be imposed. On May 2, 2001, the companies filed a response explaining why the penalty is inappropriate, based on inaccurate or outdated information and should not be imposed. This response remains pending at the FCC and no further FCC action has been taken to date. No fine, sanction or penalty has been assessed.
2. **Wisconsin Department of Justice** (01-CV-1369): On May 22, 2001, NOS Communications, Inc., Affinity Network Incorporated and NOSVA LP were served with a summons and complaint by the Office of Attorney General of Wisconsin. The complaint includes allegations regarding the companies' long distance pricing methodology and rate disclosures. The company through counsel has been working with the Office of the Attorney General of Wisconsin to address and resolve the concerns that prompted this suit. The matter remains pending and in discovery. No fine, sanction or penalty has been assessed.

Note: As certified and regulated carriers in the contiguous states, the companies make various submissions of applications for service and tariffs and respond from time-to-time to a variety of regulatory inquiries. The Company did not interpret those types of matters as being intended by the questions posed in Items numbered 6 and 7 in your letter of March 11, 2002. Consequently, communications of this nature are not included in these summaries and, given the nature of telecommunications regulation and tariff submissions, would be extremely voluminous.

SCHEDULE D
AGREEMENTS/ORDERS/JUDGEMENTS/DISMISSALS

1. **Florida Public Service Commission** (Docket No. D00630-TI, Docket No. 000631-TI, Docket No. 000632-TI): On September 12, 2000, the Florida Public Service Commission closed these dockets, without action. These matters had been opened in May 2000 at the recommendation of staff regarding tariff issues and marketing practices of NOS Communications, Affinity Network Incorporated and NOSVA Limited Partnership. After various meetings with staff, the companies resolved the staff's issues by filing of streamlined tariffs. The order of closure is attached to this letter as **Exhibit 1**.
2. **Attorney General of the State of Florida** (Docket No. L00-3-1560): NOS Communications, Inc. and its affiliated companies resolved by settlement agreement concerns of the Florida Attorney General's Office regarding marketing practices, focusing on promotional plans offered by NOS from late 1997 through mid-2000. NOS fully cooperated with the Attorney General but believed that its compliance program, both in regard to the promotional plans in question and current plans, complied with applicable laws and regulations. As such, the execution of the settlement agreement did not represent findings of wrongdoing or non-compliance, or any admission by NOS of such. The settlement did not include any fine, sanction or penalty against NOS, although NOS did agree to compensate the AG for costs of its review by making a payment of \$2.0 million, with a possible additional payment of up to \$500,000, depending on the outcome of the FCC matter (see Schedule C). The Agreement also expressly states that the Settlement is not precedential, nor does it preclude the continuation of call unit rates and call unit billing. The Settlement Agreement is attached to this letter as **Exhibit 2**.
3. **Public Service Commission of Wisconsin** (Docket 7580-T1-101 and Docket 7710-T1-101): The Public Service Commission ("PSC") of Wisconsin has revoked the certifications of NOS Communications, Inc. and Affinity Network Incorporated, based on allegations that the companies failed to notify the Commission of change in d/b/a names on certain of these companies' plans. Copies of the PSC's orders are attached to this letter as **Exhibit 3**. The NOS Communications de-certification is on appeal and further discussions with the PSC of Wisconsin are now pending for both carriers.

Exhibit B

It's as Simple as 1, 2, **Free.**

QuantumLink- Long Distance Made Simple.

QuantumLink Letter of Agency



Sign up for QuantumLink's Free@3™ connection. It's Easy. It's Simple. It's Hassle free. It's Long Distance Made Simple.

Authorization to Change Carrier(s)

By signing below, Customer selects QuantumLink Communications (QuantumLink) as its preferred carrier for all IntraLATA (long distance) calls. Customer also selects QuantumLink as its preferred carrier for all InterLATA (local toll) calls. Customer understands that this authorization will result in a change from its existing telecommunications carrier(s) to QuantumLink. Customer authorizes QuantumLink to act as the customer's agent to implement the carrier change(s). Customer further understands that they have the right to obtain IntraLATA and InterLATA services individually and that the customer may select only one IntraLATA carrier and one InterLATA carrier per telephone number. Complete numbers listed below. Terms of service and rates are set out in the tariff on file with the state commissions. Customer may not modify tariff plan. Accounts billed in cents per call units. Per call non-usage charges apply. Details of call units and charges are contained in the QuantumLink Welcome Package furnished prior to first invoice and available anytime by calling 800-942-9376. Undersigned further authorizes QuantumLink and any LEC to remove any PIC freezes on our account and to verbally PIC our lines to CIC code assigned by QuantumLink. By accepting service from QuantumLink, Customer agrees to the "Terms and Conditions of Service" incorporated here by reference and posted at www.qcommunications.com. Customer accepts binding dispute arbitration procedures.

If 800 service is requested: The undersigned also appoints QuantumLink as Customer's Agent with authority to select a Responsible Organization ("RESPORG") for the management and administration of 800 data base records in customer with respect to the 800 numbers listed below.

Company Billing Name: ANNE VODE DBA MERCURY INVESTIGAT.

Address: 349- 15th STREET

City, State, Zip: OAKLAND, CA 94612

Main Billing Number: 510 268-9810

Additional Numbers: CSR -

Print Name: ANNE VODE Date: 9/11/02

Signature: [Signature]

QuantumLink Communications

Phone: 800-947-5357 * Fax: 800-947-5358



It's as Simple as **One, Two, Free.**

Exhibit C

TERMS AND CONDITIONS OF SERVICE

Thank you for choosing service from QuantumLink Communications (QUANTUMLINK). All services provided to You, our Customer, by Us, QUANTUMLINK, are subject to the terms below, to additional terms incorporated here by reference and to any and all terms applied by tariffs on file and in effect. THE TERMS BELOW, THE REFERENCED TERMS AND, WHERE APPLICABLE, TARIFFS CONTROL ALL ASPECTS OF OUR RELATIONSHIP FOR SERVICES PROVIDED, INCLUDING, BUT NOT LIMITED TO, INTERSTATE, INTRASTATE, INTERNATIONAL, CALLING CARD AND ENHANCED SERVICES AND RATES, BILLINGS AND CHARGES, RATE STRUCTURE, STARTING AND ENDING SERVICE, PRIVACY AND CONFIDENTIALITY, EARLY TERMINATION FEES (IF APPLICABLE), LIMITATIONS OF LIABILITY AND WARRANTY; AND RESOLUTION OF DISPUTES BY ARBITRATION. IN ADDITION TO THE TERMS BELOW, THERE ARE GENERAL TERMS AND CONDITIONS, AS WELL AS SPECIFIC TERMS FOR YOUR SERVICE PLAN, POSTED ON OUR WEBSITE AT WWW.QLCOMMUNICATIONS.COM; THESE TERMS ARE INCORPORATED INTO THIS AGREEMENT AND ALSO APPLY TO YOU. USE OF QUANTUMLINK SERVICES CONSTITUTES ACCEPTANCE OF QUANTUMLINK TERMS AND CONDITIONS.

Services. Depending on Your selected Service Plan, QUANTUMLINK may provide international, state-to-state and in-state long distance, local toll, toll-free access and calling card services. Originating availability varies by service type.

Billing and Payment. Service and billing is provided on a monthly basis. All amounts due must be paid by the date stated on Your invoice. Service may continue to be provided until thirty days after Our receipt of a request from You for the discontinuation of Your Service, unless other restrictions apply. You agree to notify Us in advance if You cancel service. You are responsible for making arrangements with other carriers to transition Your services at time of cancellation. QUANTUMLINK may cancel service as set out in Your Service Plan and in the general terms referenced in this Agreement. A surcharge, the Interstate Telecommunications Surcharge ("ITUS") applies to Customers who receive management call detail with each monthly invoice.

SERVICE AND TARIFFS ARE BASED UPON A RATE STRUCTURE THAT INCORPORATES NON-TRANSPORT COSTS OF SERVICE ACROSS TOTAL CALL DURATION. THE COMMON PRICING COMPONENT IN THIS RATE STRUCTURE IS THE CALL UNIT AND ALL RATES ARE IN CENTS PER CALL UNIT (CPCU) VERSUS CENTS PER MINUTE. TO ILLUSTRATE, THE FIRST MINUTE OF A CALL IS TWO AND ONE-HALF CALL UNITS. EACH OF THE NEXT NINETEEN MINUTES IS TWO CALL UNITS AND EACH MINUTE BEYOND TWENTY MINUTES IS ONE CALL UNIT. FOR DETAILS, CALL TOLL-FREE 1 888-258-7418.

Rates and Service Plan Information. Your Service Plan rates and other charges, terms and conditions are posted at www.qlcommunications.com and are also available for review at 4380 Boulder Highway, Las Vegas, NV 89121. You may call toll-free 888-258-7418 for additional information. We may change Your Service Plan in accordance with these Terms posted at www.qlcommunications.com.

"Free Invoice" Loyalty Credit Offerings: You may receive a credit equal to the average actual long distance charges of previous applicable invoices. Enrollment is required by calling 800-483-4561 after your service initiation and prior to your promotional invoice and thereafter prior to each additional promotional invoice. Delinquent accounts are not eligible for free invoice credits. Credit shall not exceed current long distance charges of invoice receiving invoice credit. Other credits may apply per your Plan details.

Charges. You are responsible for paying all charges to Your Account, including but not limited to: access, long distance, local and local toll access, directory and operator assistance charges, airtime, monthly recurring charges, and any taxes (state, local and federal), surcharges, fees, assessments, or recoveries determined by Us to be imposed on You or Us as result of use of the Service on Your account or the purchase of goods, including but not limited to: gross receipts taxes, sales taxes and municipal utilities taxes.

Indemnification. YOU AGREE TO DEFEND, INDEMNIFY, AND HOLD US, OUR AFFILIATES AND AGENTS AND ANY OTHER RELATED SERVICE PROVIDER, HARMLESS FROM THIRD PARTY CLAIMS OR DAMAGES RELATING TO THIS AGREEMENT OR OUR PROMISES OR STATEMENTS MADE IN IT AND USE OF THE EQUIPMENT OR SERVICE UNLESS DUE TO OUR GROSS NEGLIGENCE. YOU ALSO AGREE TO PAY OUR REASONABLE ATTORNEYS' AND EXPERT WITNESS' FEES AND COSTS INCURRED IN ENFORCING THIS AGREEMENT THROUGH APPEAL, EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT. IT IS YOUR RESPONSIBILITY TO CONFORM TO ALL LAWS OR REGULATIONS GOVERNING YOUR USE OF OUR SERVICES AND YOU WILL INDEMNIFY US FROM CLAIMS ARISING FROM ANY SUCH USE WHETHER LAWFUL OR NOT. THIS PARAGRAPH WILL SURVIVE TERMINATION OF THIS AGREEMENT.

Customer Service. If You are having a Service or billing problem or inquiry, You can contact Us at the phone number located on Your bill or You can call Our Customer Service Department by dialing Toll Free 800-483-4561.

Resolution of Disputes/Arbitration. Both QUANTUMLINK and You agree to use reasonable, good faith efforts to first *resolve any dispute that may arise, without resort to litigation.* Any invoice not disputed or otherwise contested within sixty (60) days of Our mailing to You is deemed correct and is binding on You. You are required to pay the undisputed portion of the invoice in its entirety. If You dispute any portion of an invoice, You must (i) notify Us in writing at the address on your invoice, (ii) mark the outside of the envelope "Billing Dispute", and (iii) send it to Us at Our address provided on the invoice. You may also contact Our Customer Service at 800-483-4561. If You do not meet these requirements completely, You will waive any objection. ALL DISPUTES THAT CANNOT BE RESOLVED BETWEEN US WILL BE SUBJECT TO BINDING ARBITRATION BEFORE A SINGLE ARBITRATOR AND PURSUANT TO THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION WITH ARBITRATION TO OCCUR IN LAS VEGAS, NEVADA. THE PARTIES AGREE THAT THEIR DISPUTES WILL BE RESOLVED INDIVIDUALLY AND SHALL NOT BE ADJUDICATED ON A CONSOLIDATED OR CLASS BASIS. The arbitrator(s) shall apply the law of Nevada, without regard to choice of law provisions, and may award declaratory relief, preliminary and permanent injunctive relief, and proven direct damages, so long as consistent with the terms of this Agreement. The Parties further agree to waive, to the fullest extent permitted by law, any claim for incidental, consequential, punitive, reliance or special damages, including but not limited to, lost profits, advantage, savings or revenues of any kind. To the extent applicable law prohibits the waiver of such damages and if an arbitrator decides to award such damages, damages shall be limited to the total amount of service charges You have paid during the affected period.

Changes to Terms and Conditions. QUANTUMLINK reserves the right to change its rates, charges, and all other terms and conditions from time to time. These changes will be posted at www.q1communications.com before they become effective. Notice of these changes also may be obtained by calling the toll-free number customer service number on your invoice. YOUR CONTINUED USE OF THE SERVICES CONSTITUTES YOUR AGREEMENT TO QUANTUMLINK'S RATES, TERMS AND CONDITIONS IN EFFECT AT THE TIME YOU USE THE SERVICES.

Use of Service. You agree not to use the Service for any unlawful or abusive purpose or in any way that damages *Our property or interferes with or disrupts Our system or other users or that is in any way unlawful, fraudulent or abusive.* If You use Toll Free Access Service (TFAS), You are responsible for payment for all calls placed to or via Your 800/888 or other Toll Free Service numbers.

Unauthorized Usage. If Your Service is fraudulently used, You must immediately notify Us and provide Us with the documentation and information We request (including affidavits and police reports). You are responsible for all charges made to Your Account, until You notify Us of the unauthorized usage and provide the full details as requested.

Availability/Interruption. We do not warrant or represent that the Service will operate without interruption or that it will operate continuously. The Service We offer is subject to necessary facilities and equipment being available from other carriers. We may have to make operational adjustments such as change the code or phone number assigned to or used by You or the technical specifications of the Service, or interrupt the Service to perform tests and inspections or for operational or emergency reasons, or to install equipment, or provide information We view as necessary for health or safety, or concerning the quality of the Services We provide.

Limitation of Liability. OUR LIABILITY AND THE LIABILITY OF ANY OF OUR UNDERLYING CARRIERS FOR ANY FAILURE OR MISTAKE WILL IN NO EVENT EXCEED OUR SERVICE CHARGES DURING THE AFFECTED PERIOD. WE ARE NOT LIABLE FOR ANY INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES SUCH AS LOST PROFITS ARISING OUT OF, RESULTING FROM, OR IN ANY WAY RELATED TO THE SERVICES AND FACILITIES FURNISHED BY QUANTUMLINK, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. YOU ACKNOWLEDGE THAT THIS AGREEMENT AND ITS TERMS CONTROL AND THAT NO DIFFERENT OR ADDITIONAL TERMS MAY BE MADE BETWEEN YOU AND ANY QUANTUMLINK AGENT OR REPRESENTATIVE. THIS PARAGRAPH WILL SURVIVE TERMINATION OF THIS AGREEMENT.

Exhibit D

Account No: 700064-0113-0001
Invoice Date: 11/18/02
Due Date: Upon Receipt
All Service Inquiries: (800) 483-4561

ANNE VODE DBA MERCURY INVESTIGATION

Attn: Accounts Payable
349 15TH STREET
OAKLAND, CA 94612

|||||

It is especially important that you notify QuantumLink Communications directly at the customer tollfree number listed on your invoice when you wish to modify your long distance service, including adding or deleting lines. For fast, convenient customer service and web based bill payments, you can also visit us at www.customerservicefirst.com <<http://www.customerservicefirst.com>>

Duplicate Invoice DO NOT PAY.

LONG DISTANCE SERVICES PROVIDED BY
QUANTUMLINK OVER FIBER OPTIC FACILITIES
DUPLICATE INVOICE
MAIN LOCATION RESPONSIBLE FOR PAYMENT

DO NOT PAY

Please write your account number
700064-0113-0001 on your check
Invoice Date: 11/18/02
Due Date: Upon Receipt
Make checks payable to:
QUANTUMLINK

Remit to: QuantumLink Communications
PO Box 22108
Tulsa, OK 74121

000170006401130000000000211187

1"

Customer Number: 700064 0113-0001
 MERCURY INVESTIGATIONS
 349 15TH
 OAKLAND, CA 94612
 ATTN: ANNE WODE

Statement Date: November 18, 2002
 Page: 1

Account Activity	Date	Description	Amount
Current Charges:			
Charges and Services Thru 11/18/02		EARLY TERM LIABILITY CHG	63.75
Long Distance			-0.00
Local Usage Charges Utilizing NOS Comm., Inc. (866) 287 8161			24.27
Universal Lifeline Telephone Service Surcharge			1.29
Funding to Public Utilities Commission			0.10
CA Relay Service and Communications Devices Fund			0.26
California High Cost Fund A & B Surcharge			1.27
Emergency 911 Telephone Users Surcharge			0.68
California Teleconnect Fund			0.26
State/Local Taxes			7.00
Other Fees and Surcharges			4.03
Federal/Other Taxes			
Total Current Charges			102.91
Total Due			0.00

Long Distance Service Description	Call	Total Call Units (TCU)	Amount
Total Long Distance Usage			0.00

If you have any questions about your bill or service
 please call (800) 483-4561. Thank you.

Customers may file consumer complaints at the following address:

California Public Utilities Commission
 State Office Building
 505 Van Ness Avenue, Room 2003
 San Francisco, CA 94102
 e-mail: consumer.affairs@cpuc.ca.gov
 Utility Number 0 5229-C

1*

Customer Number: 700064-0113-0001
 MERCURY INVESTIGATIONS
 349 15TH
 OAKLAND, CA 94612
 ATTN: ANNE VODE

Statement Date: November 18, 2002
 Page: 2

Local Usage	Calls	Duration	Rate per Minute	Amount
Local Call Usage Charges				
Zone C	164	1066.0	\$ 0.023	\$ 24.27
Totals				\$ 24.27
Local Per Call Charges				\$ 0.00
Total				\$ 24.27
Total Local Usage				\$ 24.27
Local Service - Monthly Charges				\$ 0.00
Total Local Usage and Service Charges				\$ 24.27

If you have any questions about your local bill or service
 Please call NOS Comm., Inc. at (866) 287-8161. Thank you.

Account: MERCURY INVESTIGATIONS
Customer Number: 700064-0113-0001

November 10, 2002
Page: 4

Local Call Detail

Date	Time	City	ST	Number	Rate	Duration	Amount	Date	Time	City	ST	Number	Rate	Duration	Amount	
Calls Originating From 510-268-9806																
10/11/02	10:48 am	OAKLAND	CA	510-288-0024	D	37.0	0.61	10/11/02	3:56 pm	SAN FRAN	CA	415-957-9080	D	1.0	0.07	
10/14/02	1:12 pm	OAKLAND	CA	510-288-0024	D	48.0	0.78	10/14/02	2:21 pm	OAKLAND	CA	510-288-0024	D	44.0	0.72	
10/15/02	11:29 am	OAKLAND	CA	510-288-0024	D	37.0	0.61	10/15/02	6:07 pm	OAKLAND	CA	510-288-0024	E	10.0	0.15	
10/15/02	7:04 pm	OAKLAND	CA	510-251-8304	E	8.0	0.13	10/16/02	10:44 am	OAKLAND	CA	510-452-4875	D	4.0	0.12	
10/16/02	10:50 am	OAKLAND	CA	510-288-0024	D	53.0	0.85	10/16/02	11:54 am	OAKLAND	CA	510-288-0024	D	42.0	0.69	
10/16/02	12:37 pm	OAKLAND	CA	510-288-0024	D	3.0	0.10	10/16/02	3:56 pm	OAKLAND	CA	510-288-0024	D	87.0	1.36	
10/17/02	10:38 am	OAKLAND	CA	510-288-0024	D	18.0	0.33	10/17/02	11:04 am	OAKLAND	CA	510-288-0024	D	11.0	0.22	
10/17/02	11:31 am	OAKLAND	CA	510-288-0024	D	5.0	0.13	10/17/02	12:01 pm	OAKLAND	CA	510-288-0024	D	26.0	0.45	
10/17/02	12:31 pm	OAKLAND	CA	510-251-8304	D	15.0	0.28	10/17/02	12:46 pm	OAKLAND	CA	510-251-8304	D	30.0	0.51	
10/17/02	1:23 pm	OAKLAND	CA	510-288-0024	D	1.0	0.07	10/17/02	1:26 pm	OAKLAND	CA	510-288-0024	D	8.0	0.10	
10/17/02	3:04 pm	OAKLAND	CA	510-288-0024	D	25.0	0.43	10/17/02	3:42 pm	OAKLAND	CA	510-288-0024	D	26.0	0.45	
10/17/02	4:34 pm	OAKLAND	CA	510-288-0024	E	8.0	0.13	10/18/02	10:45 am	OAKLAND	CA	510-251-8304	D	13.0	0.25	
10/18/02	12:14 pm	OAKLAND	CA	510-267-0506	D	1.0	0.07	10/18/02	12:16 pm	OAKLAND	CA	510-288-0024	D	6.0	0.15	
10/18/02	1:05 pm	OAKLAND	CA	510-288-0024	D	15.0	0.28	10/18/02	2:05 pm	OAKLAND	CA	510-288-0024	D	27.0	0.46	
10/18/02	3:32 pm	OAKLAND	CA	510-267-0506	D	2.0	0.09	10/18/02	4:54 pm	OAKLAND	CA	510-251-8304	E	8.0	0.13	
10/20/02	5:18 pm	OAKLAND	CA	510-267-0506	E	5.0	0.10	10/18/02	6:17 pm	OAKLAND	CA	510-288-0024	E	16.0	0.22	
10/20/02	5:04 pm	OAKLAND	CA	510-452-4875	E	7.0	0.12	10/21/02	9:55 am	OAKLAND	CA	510-288-0024	D	24.0	0.42	
10/21/02	10:23 am	OAKLAND	CA	510-288-0024	D	7.0	0.16	10/21/02	9:55 am	OAKLAND	CA	510-288-0024	D	13.0	0.25	
10/21/02	4:19 pm	OAKLAND	CA	510-288-0024	E	26.0	0.33	10/21/02	9:55 pm	OAKLAND	CA	510-433-1001	N	1.0	0.03	
10/22/02	2:11 pm	SAN FRAN	CA	415-896-1421	D	1.0	0.07	10/22/02	3:34 pm	OAKLAND	CA	510-288-0024	D	67.0	1.06	
10/23/02	10:50 am	OAKLAND	CA	510-288-0024	D	17.0	0.31	10/23/02	11:19 am	SAN FRAN	CA	415-621-0856	D	1.0	0.07	
10/23/02	12:08 pm	OAKLAND	CA	510-288-0024	D	16.0	0.30	10/23/02	12:25 pm	SAN FRAN	CA	415-896-1421	D	1.0	0.07	
10/23/02	12:56 pm	OAKLAND	CA	510-288-0024	D	2.0	0.09	10/23/02	2:00 pm	OAKLAND	CA	510-251-8304	D	11.0	0.22	
10/23/02	4:17 pm	OAKLAND	CA	510-288-0024	E	5.0	0.10	10/23/02	4:49 pm	OAKLAND	CA	510-288-0024	E	11.0	0.16	
Subtotals for 510-268-9806																
Calls :				48	510-268-9810				Subtotals for 510-268-9810				9			
Total Duration :				850.0	Amount :				Total Duration :				33.0			
Amount :				\$14.88					Amount :				\$0.97			
Calls Originating From 510-268-9810																
10/11/02	3:06 pm	OAKLAND	CA	510-663-0062	D	1.0	0.07	10/15/02	12:55 pm	OAKLAND	CA	510-612-5404	D	1.0	0.07	
10/15/02	1:14 pm	SAN FRAN	CA	415-362-6919	D	1.0	0.07	10/16/02	3:59 pm	OAKLAND	CA	510-433-1000	D	1.0	0.07	
10/18/02	10:56 am	OAKLAND	CA	510-612-5404	D	1.0	0.07	10/20/02	5:30 pm	SAN FRAN	CA	415-362-6919	E	2.0	0.06	
10/22/02	10:28 am	RICHMOND	CA	510-234-1983	D	1.0	0.07	10/22/02	11:29 am	SAN FRAN	CA	415-788-1900	D	1.0	0.07	
10/23/02	12:30 pm	RICHMOND	CA	510-235-7340	D	24.0	0.42	Subtotals for 510-268-9810								
Calls :				48	510-268-9814				Subtotals for 510-268-9814				9			
Total Duration :				850.0	Amount :				Total Duration :				33.0			
Amount :				\$14.88					Amount :				\$0.97			
Calls Originating From 510-268-9814																
10/11/02	10:59 am	OAKLAND	CA	510-272-6002	D	3.0	0.10	10/11/02	10:34 am	SAN FRAN	CA	415-567-8002	D	2.0	0.09	
10/11/02	1:03 pm	OAKLAND	CA	510-612-5757	D	1.0	0.07	10/11/02	11:02 am	SAUSALITO	CA	415-272-6002	D	1.0	0.07	
10/15/02	11:57 am	SAN FRAN	CA	415-346-9901	D	1.0	0.07	10/15/02	2:01 pm	SAN FRAN	CA	415-567-8002	D	2.0	0.09	
10/15/02	1:14 pm	SAN FRAN	CA	415-362-6919	D	1.0	0.07	10/15/02	12:11 pm	SAN FRAN	CA	415-929-7689	D	1.0	0.07	
10/15/02	4:44 pm	BERKELEY	CA	510-525-1001	E	1.0	0.05	10/15/02	2:38 pm	OAKLAND	CA	510-433-1000	D	2.0	0.09	
10/18/02	1:37 pm	OAKLAND	CA	510-267-0500	D	2.0	0.09	10/18/02	1:27 pm	OAKLAND	CA	510-612-5757	D	2.0	0.09	
10/18/02	2:11 pm	OAKLAND	CA	510-612-5757	D	1.0	0.07	10/18/02	1:19 pm	OAKLAND	CA	510-612-5757	D	2.0	0.09	
10/18/02	2:44 pm	OAKLAND	CA	510-612-5757	D	3.0	0.10	10/18/02	2:22 pm	OAKLAND	CA	510-433-1000	D	1.0	0.07	
10/18/02	3:13 pm	OAKLAND	CA	510-267-0500	D	1.0	0.07	10/18/02	2:52 pm	OAKLAND	CA	510-612-5757	D	1.0	0.07	

Account: MERCURY INVESTIGATIONS
Case Number: 70064-013-0001

Local Call Detail

November 18, 2002
Page: 5

Date	Time	City	ST	Number	Rate	Duration	Amount
Calls Originating From 510-268-9014 (cont)							
10/20/02	5:38 pm	OAKLAND	CA	510-612-5404	D	2.0	0.06
10/21/02	3:02 pm	OAKLAND	CA	510-612-5757	D	1.0	0.07
10/21/02	3:24 pm	OAKLAND	CA	510-612-5757	D	1.0	0.07
10/22/02	11:19 am	OAKLAND	CA	510-612-5757	D	2.0	0.09
10/22/02	11:53 am	OAKLAND	CA	510-612-5404	D	1.0	0.07
10/23/02	2:55 pm	SAN FRANCISCO	CA	415-634-8700	D	1.0	0.07

Subtotal for 510-268-9014
Calls : 29
Total Duration : 43.0
Amount : \$2.24

Calls Originating From 510-268-9015							
Date	Time	City	ST	Number	Rate	Duration	Amount
10/11/02	10:01 am	SAN FRANCISCO	CA	415-567-8002	D	2.0	0.09
10/11/02	11:03 am	SAN FRANCISCO	CA	415-896-1400	D	3.0	0.10
10/11/02	2:00 pm	OAKLAND	CA	510-612-5757	D	1.0	0.07
10/15/02	10:07 am	SAN FRANCISCO	CA	415-764-0500	D	1.0	0.07
10/15/02	12:16 pm	SAN FRANCISCO	CA	415-621-5600	D	2.0	0.09
10/15/02	12:53 pm	OAKLAND	CA	510-612-5404	D	1.0	0.07
10/15/02	1:13 pm	SAN FRANCISCO	CA	415-162-6919	D	1.0	0.07
10/15/02	1:42 pm	OAKLAND	CA	510-612-5404	D	2.0	0.09
10/15/02	2:16 pm	SAN FRANCISCO	CA	415-440-3440	D	2.0	0.09
10/15/02	6:32 pm	SAN FRANCISCO	CA	415-440-3440	D	2.0	0.06
10/16/02	10:49 am	OAKLAND	CA	510-452-4541	D	1.0	0.07
10/16/02	12:30 pm	OAKLAND	CA	510-444-1409	D	1.0	0.07
10/16/02	12:32 pm	OAKLAND	CA	510-612-5757	D	1.0	0.07
10/16/02	2:34 pm	SAN FRANCISCO	CA	415-452-4541	D	5.0	0.13
10/17/02	10:32 am	SAN FRANCISCO	CA	510-764-0500	D	1.0	0.07
10/17/02	10:58 am	OAKLAND	CA	510-431-1000	D	2.0	0.09
10/17/02	1:34 pm	OAKLAND	CA	510-431-1000	D	3.0	0.10
10/17/02	2:12 pm	OAKLAND	CA	510-431-1000	D	2.0	0.09
10/17/02	4:45 pm	OAKLAND	CA	510-431-1000	D	1.0	0.05
10/18/02	12:38 pm	OAKLAND	CA	510-267-0500	D	1.0	0.07
10/18/02	2:31 pm	OAKLAND	CA	510-267-0500	D	1.0	0.07
10/18/02	4:08 pm	OAKLAND	CA	510-268-9810	E	1.0	0.05
10/18/02	5:05 pm	OAKLAND	CA	510-267-0500	E	3.0	0.07
10/20/02	5:40 pm	SAN FRANCISCO	CA	415-362-6016	E	2.0	0.06
10/20/02	5:30 pm	SAN FRANCISCO	CA	415-362-6016	E	1.0	0.05
10/21/02	12:08 pm	OAKLAND	CA	510-267-0500	D	2.0	0.09
10/21/02	12:29 pm	OAKLAND	CA	510-267-0500	D	1.0	0.07
10/21/02	1:55 pm	OAKLAND	CA	510-431-1000	D	1.0	0.07
10/21/02	8:14 pm	SAN FRANCISCO	CA	510-612-5404	E	1.0	0.05
10/22/02	1:15 pm	SAN FRANCISCO	CA	415-434-8700	D	2.0	0.09
10/23/02	10:24 am	SAN FRANCISCO	CA	415-397-3100	D	2.0	0.09
10/23/02	11:32 am	OAKLAND	CA	510-594-2401	D	1.0	0.07
10/23/02	12:11 pm	SAN FRANCISCO	CA	415-751-7712	D	2.0	0.09
10/23/02	12:54 pm	OAKLAND	CA	510-431-1001	D	1.0	0.07
10/23/02	2:04 pm	OAKLAND	CA	510-267-0500	D	3.0	0.10
10/23/02	2:23 pm	SAN FRANCISCO	CA	415-434-8700	D	2.0	0.09
10/23/02	2:55 pm	OAKLAND	CA	510-267-0500	D	3.0	0.10
10/23/02	3:06 pm	SAN FRANCISCO	CA	415-146-2900	D	1.0	0.07


Exhibit E

Letter of Agency

Spoke up for disadvantaged people — connections. It's Easy. It's Simple. It's **ILLUSTRATED**. See us today! **DISCOUNT** **ILLUSTRATED**.

**Author's Reaction to Change Comments:**[illegible]

Company Name: Manorati Conveyancing Inc.
Address: 480 San Francisco St. #201
City State Zip: Chandler, AZ 85004
Main Billing Number: 602-553-1880
Additional Numbers: CSR

Print Name: Earl Spelman
Signature:  6/27/76

General & Co., 24111
 Phone: 800-947-5357 Fax: 800-947-5358

Newsday It's as Simple as **One, Two, Free.** 1-800-447-2661